

# Company Vision Statements - Walking the talk?

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At the drop of a hat, companies espouse their vision/value statements. These company statements can be found in annual reports, in company literature such as brochures and, if one looks carefully there will be framed (slightly dusty) statements in the reception areas of head offices.

If one takes the time to read these individual company statements, one will find that they have an uncanny likeness - in some way or another, they make reference to the same interest groups. Endearingly called stakeholders, particular reference will be made to customers, employees, suppliers and shareholders/investors.

## ***The Stakeholder***

Starting with customers, mention would be made of fulfilling needs, providing quality service, ensuring consistent client satisfaction, making sure that the company is the customer's first choice and providing long-term, win-win relationships.

Employees feature prominently and are described in glowing terms such as the foundation of the business, the secret to success and so on. When reference is made to suppliers, the words "valued partners" are often inscribed and, when it comes to investors or shareholders, vision statements reflect a desire to render superior growth, ensuring a sound (and in some cases, exceptional) investment.

Obviously, these stakeholders are essential for a company to survive, let alone thrive. This has been recognised worldwide. For example, Jack Welch, former CEO of General Electric, said "too often we measure everything and understand nothing. The three most important things you need to measure in a business are :

- Customer satisfaction
- Employee satisfaction
- Cash flow

## ***The Stakeholder Balance Sheet***

In board meetings throughout our country, these aspects are vigorously debated but it can be argued that the information regarding the financial performance of a company is more readily available and debated at board level than assessing the stakeholders' "balance sheet". Are company board members sufficiently informed when it comes to the measurement and management of stakeholders?

Each business goes through a particular stage in its life cycle. An important stage is to invest in product management which will produce an innovative, differentiated, quality product line-up. However, as we know, it won't be long before the competitor launches a look-alike. The next stage of the life cycle normally involves investment in process management, from which streamlined, re-engineered businesses emerge. There again, it isn't too long before competitors follow a similar route.

It can be argued that there is only so much a company can achieve through product and process management in order to ensure a sustainable competitive position. However, when this has been exhausted, what is left to drive a competitive edge? Stakeholders! Although this is readily acknowledged, how many companies give serious consideration to managing their stakeholders professionally? How many companies institutionalise stakeholder management systems that provide the same degree of accuracy that is provided on the financials of a business? Surely, if stakeholders are acknowledged as being key to a company, the professional measurement, management and monitoring of customer retention, internal service quality, employee commitment, supplier partnerships, management evaluation, shareholder confidence and corporate reputation (amongst others) should be essential. In other words, the professional management of relationships of all interest groups

that have a stake in the company - the measurement of the company mission/value statement.

### ***Walking the talk***

Most company vision/value statements make reference to creating value for customers, providing high returns to shareholders, being an employer of choice, and contributing to social responsibility in some form or another. And, it can be debated whether the boards of companies are sufficiently and professionally informed regarding their customers, their employees and the other stakeholders and how these relationships can be leveraged.

A company vision/value statement consists of words - words that are designed to evoke emotion which, in turn, will trigger action. If the words are hollow, one cannot expect action to follow.

Isn't it time to walk the talk?

## ABOUT THE AUTHOR

Henry Barenblatt is CEO of Research Surveys.

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